



05/28/2026

The Honorable Louis DiPalma
Chairman, Senate Finance Committee
Rhode Island State House
82 Smith Street
Providence, RI 02903

Chairman DiPalma and Members of the Committee:

On behalf of the RI Hospitality Association and our members across the state, we respectfully submit this testimony in support of S 3017, legislation that would restore alignment between Rhode Island and federal tax law for qualified tip income and overtime compensation.


Rhode Island's hospitality industry depends on thousands of hardworking employees who rely on tips and overtime pay to support themselves and their families. Unfortunately, Rhode Island's recent decoupling from certain federal tax provisions has created an unintended burden for these workers.

The federal "No Tax on Tips and Overtime" provisions included in H.R. 1 received bipartisan support and were intended to provide meaningful financial relief to working Americans. Under federal law, eligible workers may deduct up to \$25,000 in qualified tip income and up to \$12,500 in overtime compensation. However, because Rhode Island has not adopted these provisions, hospitality employees in our state are unable to receive the same benefit when filing their state taxes.

At a time when the cost of living continues to rise, including housing, utilities, healthcare, transportation, and insurance costs, workers are looking for every opportunity to keep more of their earned income. Instead, Rhode Island workers are facing higher state tax liability solely because our tax code no longer conforms to federal policy in this area.

S 3017 provides a practical and fair solution by allowing a state income modification for qualified tips and overtime income consistent with federal law. This change would help ensure that Rhode Island hospitality workers are treated fairly and are not disadvantaged compared to workers in states that maintain conformity with the federal code.

The RI Hospitality Association respectfully urges the Committee to support S 3017.

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Thank you for your consideration.

Sincerely,

Ryan Moot

Manager of Government Affairs
RI Hospitality Association